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EXAMINER

MAGUIRE, LINDSAY M

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte RAJESH G. SHAKKARWAR

Appeal 2014-009365
Application 13/651,219
Technology Center 3600

Before HUBERT C. LORIN, BIBHU R. MOHANTY, and
BRADLEY B. BAYAT, *Administrative Patent Judges*.

BAYAT, *Administrative Patent Judge*.

DECISION ON APPEAL¹

STATEMENT OF THE CASE

Appellant² appeals under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 9–13, 23–27, and 29–32. We have jurisdiction under 35 U.S.C. § 6(b).

SUMMARY OF DECISION

We REVERSE and enter a NEW GROUND OF REJECTION.

¹ Our decision references Appellant's Appeal Brief ("Appeal Br.," filed May 12, 2014) and Reply Brief ("Reply Br.," filed Aug. 11, 2014), the Examiner's Answer ("Ans.," mailed June 10, 2014), and the Final Office Action ("Final Act.," mailed Oct. 10, 2013).

² Appellant identifies Verient, Inc. as the real party in interest. App. Br. 3.

THE INVENTION

Claim 9, reproduced below, is illustrative of the subject matter on appeal.

9. A method of transmitting a financial product data from a NFC enabled device to a reader device for a payment transaction, comprising:

receiving the financial product data;

storing the financial product data in a first storage device of the NFC enabled device;

during the payment transaction, transmitting the financial product data from the first storage device to a second storage device of the NFC enabled device;

transmitting the financial product data from the second storage device to the reader device; and

removing the financial product data from the second storage device after transmission to the reader device.

THE REJECTION

The Examiner relies upon the following as evidence of unpatentability:

Apple	US 2007/0038516 A1	Feb. 15, 2007
Roberts	US 2009/0271276 A1	Oct. 29, 2009

The following rejection is before us for review:

Claims 9–13, 23–27, and 29–32 stand rejected under 35 U.S.C.

§ 103(a) as being unpatentable over Roberts and Apple.

ANALYSIS

Independent claim 9 requires, *inter alia*, “during the payment transaction, transmitting the financial product data from the first storage device to a second storage device of the NFC enabled device;” (Appeal Br. 10, Claims App.).

The Examiner finds the claimed “transmitting data from a first device to a second device of the NFC enabled device” disclosed in Figure 17 and paragraph 448 of Apple (Ans. 3). According to the Examiner, the claim “does not require the data that is transmitted to be financial data or for it to be transferred during the course of a financial transaction” (*id.* at 7) and Apple “clearly shows transmitting data from a first device to a second device of the NFC enabled device, as advanced above” (*id.* at 8).

Appellant disputes this finding (App. Br. 6, 7; Reply Br. 2, 3) and contends that the Examiner has failed to give weight to the claim limitations “financial product data” and “during the payment transaction” (Reply Br. 3).

We are persuaded by Appellant’s arguments. A rejection based on § 103 clearly must rest on a factual basis. The Examiner has the initial duty of supplying the factual basis for the rejection and may not resort to speculation, unfounded assumptions, or hindsight reconstruction to supply deficiencies in its factual basis.

Claim 9 plainly requires that the first transmitting step is performed on “financial product data” “during the payment transaction.” Thus, the Examiner’s statement to the contrary is erroneous. Moreover, the Examiner has not specified any particular element in Figure 17 or paragraph 448 of Apple as meeting the claimed “second storage device.” Figure 17 depicts

Wireless Device 120 including Financial Account Data 0750 stored in memory. Paragraph 448 describes Wireless Device 0120 of Figure 17, and discloses that Financial Account Data 0750 can be transmitted to NFC Chip 1700 “through one or more other means” such as Bus 0002 and Processor 0004, but the Examiner has not explained which element of Figure 17 meets the “second storage device” limitation.

Moreover, claim 9 further requires “removing the financial product data *from the second storage device . . .*” (emphasis added). The Examiner finds this limitation in paragraph 1097 of Apple, which discusses deletion of records from Web Server Database 7210 (Ans. 3). Web Server Database 7210 is stored in Web Server 0100 and not Wireless Device 0120 (*see* Figure 72 of Apple). We fail to see how the “second storage device” can be found in both Wireless Device 0120 and in Web Server 0100.

Thus, we fail to see and the Examiner does not adequately explain how Apple discloses the “second storage device” as required by claim 9.

Accordingly, we do not sustain the rejection of independent claim 9 as obvious over Roberts and Apple. For the same reasons, we do not sustain the rejections of dependent claims 10–13, 23–27, and 29–32. *Cf. In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992) (“dependent claims are nonobvious if the independent claims from which they depend are nonobvious”).

NEW GROUND OF REJECTION

Claims 9–13, 23–27, and 29–32 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

Alice Corp. Pty. Ltd. v. CLS Bank Int’l, 134 S. Ct. 2347 (2014) identifies a two-step framework for determining whether claimed subject matter is judicially-excepted from patent eligibility under § 101.

According to *Alice* step one, “[w]e must first determine whether the claims at issue are directed to a patent-ineligible concept,” such as an abstract idea. *Id.* at 2355.

Taking claim 9 as representative of the claims on appeal, the claimed subject matter is directed to an information managing scheme for financial product data. Managing financial product data is a method of organizing human activity and/or fundamental economic practice. As such it is an abstract idea.

Step two of *Alice* is “a search for an ‘inventive concept’”—i.e., an element or combination of elements that is “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.” *Id.* at 2355 (citation omitted).

We see nothing in the subject matter claimed that transforms the abstract idea of managing financial product data into an inventive concept.

The method of claim 9 includes five steps of gathering first information (“receiving the financial product data”), storing the first information (“storing the financial product data”), transmitting the first information (“during the payment transaction . . .”), transmitting the first

information again (“transmitting the financial product data . . .”), and removing the first information (“removing the financial product data . . .”).

All of the claim limitations are well-understood, routine, conventional activities previously known to the industry. The information gathering, transmitting, and removing steps are known information gathering operations and transmitting operations for copying and deleting information and thus, add little to patentably transform the abstract idea of managing financial product data.

Furthermore, each of the information gathering, transmitting, and removing steps are themselves abstract ideas. For example, transferring information from one location to another is an abstract idea and routine practice in information systems. *See DataTreasury Corp. v. Fidelity National Information Services, Inc.*, No. 2016-1046, 2016 WL 5939431 (Fed. Cir. Oct. 13, 2016). Merely combining several abstract ideas does not render the combination any less abstract. *Cf. Shortridge v. Found. Constr. Payroll Serv., LLC*, No. 14-CV-04850-JCS, 2015 WL 1739256, *11 (N.D. Cal. Apr. 14, 2015), *aff’d*, No. 2015-1898, 2016 WL 3742816 (Fed. Cir. July 13, 2016).

Finally, we note that claim 9 calls for “a NFD enabled device” and “a reader device.” But any generic device having conventional NFC capabilities available at the time the application was filed would have satisfied these limitations. The Specification supports that view. *See, e.g.*, paragraphs 2–6 of the Specification (“Near Field Communications technology is commonly used for contactless short-range communications.”). “[T]he mere recitation of a generic computer cannot

transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea ‘while adding the words ‘apply it’ is not enough for patent eligibility.” *Alice* at 2358.

For the foregoing reasons, we find that claim 9 covers subject matter that is judicially-excepted from patent eligibility under § 101. Dependent claims 10–13, 23–27, and 29–32 describe various information gathering, storing, transmitting, and managing schemes which do little to patentably transform the abstract idea.

Therefore, we enter a new ground of rejection of claims 9–13, 23–27, and 29–32 under 35 U.S.C. § 101.

DECISION

The Examiner’s rejection under 35 U.S.C. § 103(a) is reversed.

Claims 9–13, 23–27, and 29–32 are newly rejected.

NEW GROUND

This decision contains a new ground of rejection pursuant to 37 C.F.R. § 41.50(b). 37 C.F.R. § 41.50(b) provides “[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review.” 37 C.F.R. § 41.50(b) also provides that the Appellant(s), WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

- (1) Reopen prosecution. Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so

rejected, or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the examiner

(2) Request rehearing. Request that the proceeding be reheard under § 41.52 by the Board upon the same record

REVERSED; 37 C.F.R. § 41.50(b)